



ANALYSIS OF THE 1992-93 GOVERNOR'S BUDGET



CALIFORNIA POSTSECONDARY EDUCATION COMMISSION

Summary

Each January, the staff of the Commission brings to the Commission's Administration and Liaison Committee a report presenting highlights of the recently released Governor's Budget. In March it then presents a follow-up document containing a detailed analysis of the Governor's Budget as it affects each system of California postsecondary education, along with a summary of the Legislative Analyst's recent comments on postsecondary education budget items.

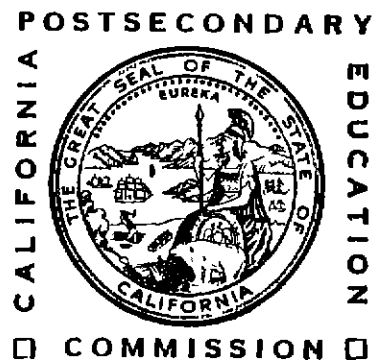
In this report on the Governor's Budget for 1992-93, the Commission staff summarizes the proposed budget for current operations at the University of California on pages 7-9, the California State University on pages 9-10, the California Community Colleges on pages 10-12, and the California Maritime Academy, Hastings College of the Law, and the California Student Aid Commission on page 12. It outlines the proposed capital outlay budgets of the systems on pages 14-16.

The Commission discussed this report at its meeting of March 30, 1992. Additional copies of the report may be obtained from the Publications Office of the Commission at (916) 324-4992.

ANALYSIS OF THE 1992-93 GOVERNOR'S BUDGET

*A Staff Report to the California
Postsecondary Education Commission*

CALIFORNIA POSTSECONDARY EDUCATION COMMISSION
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Analysis of the 1992-93 Governor's Budget

Background on the Governor's Budget

This budget year marks the third straight year that the State of California has faced a potential General Fund deficit. Again, the Governor and the Legislature are confronted with closing a current-year deficit and the consequences of another budget year revenue shortfall.

The Legislature constructed the 1991-92 budget on the premise that the recession would end by mid-1991 and that a modest economic recovery would yield sufficient revenue to avoid another year of budget cuts. However, the Department of Finance has revised its current-year revenue forecast downward from \$45.7 billion to \$42.8 billion (a reduction of \$2.9 billion) signaling the continued serious effect that the recession is having on the California economy. The Legislative Analyst and the Commission on State Finance project that the State will end the 1991-92 fiscal year in a budget deficit estimated between \$2.8 and \$3.4 billion, respectively.

The State's budget crisis seriously affects the ability of the State to fund its higher education system adequately, particularly its public four-year colleges and universities. The Commission holds the view that the budget problem is part recessionary and part structural; simply stated the budget deficit reflects not only a short-term revenue shortfall but also a long-term structural deficit where revenues fail to meet the increased cost of delivering State services to a growing population. This year's budget problem will continue into future budgets unless the State takes action to restructure its existing revenue and expenditure policies.

Since the University of California and the California State University are among the few program areas of the budget where funding levels are not guaranteed, they are particularly vulnerable to disproportionate and significant cuts in their General Fund budgets. The last several budget years have continued a downward trend in State funding for higher education, reducing State support as a percentage of the total General Fund from 15.9 percent

in 1984-85 to 13.5 percent in 1991-92. If revenues continue to decline and the Governor and the Legislature cannot agree on actions which restructure existing revenue and expenditures, higher education is likely to see further reductions in State General Fund support.

Overview of the Governor's Budget

On January 9, 1992, Governor Pete Wilson introduced his proposed State budget for the 1992-93 fiscal year. It totals \$85.3 billion (representing a 0.9 percent increase) in federal and State funds, including \$43.8 billion (or a 0.2 percent increase) in General Funds and a \$105 million reserve (Display 1 shows the overall State budget and Display 2 shows the higher education portion of the budget). The proposed budget is built on an optimistic revenue forecast which sees a modest recovery in the State's economy for 1992-93 and further reductions in State programs and services to balance the State's budget.

Higher education, with the exception of the community colleges, is proposed to receive a minor augmentation in General Fund support, largely attributed to the student fee increase (Display 3 on page 3). The budget for California's colleges and universities proposes increased funding for enrollment growth but does not provide sufficient support to both maintain quality programs and access for all eligible students. While the Governor's proposed budget treats higher education favorably in comparison to other areas of State government, higher education funding continues to fall short of the support it needs to fulfill its mission as prescribed in the State's Master Plan for Higher Education.

As Display 4 on page 3 shows, the Governor's spending plan for 1992-93 proposes to address the current and budget year shortfall by both increases in State revenues and program reductions. The Governor's proposed budget plan seeks to close the budget gap

DISPLAY 1 Proposed Total Expenditures, 1992-93 State Budget (Dollars in Millions)

<u>Program Area</u>	<u>General Funds</u>	<u>Special Funds</u>	<u>Bond Funds</u>	<u>Federal Funds</u>	<u>Total All Funds</u>
K-14 Education	\$19,905 6	\$0 7	\$1,740 9	\$1,951 9	\$23,599 1
Health and Welfare	12,957 0	2,957 9	--	15,925 9	31,841 2
Higher Education	4,099 8	424 2	270 0	3,963 4	8,757 4
Business, Transportation and Housing	271 1	4,037 8	1,039 4	1,843 6	7,191 9
Tax Relief Subventions	432 5	--	--	--	432 5
Payment to Local Government	7 5	3,105 5	5 0	67 8	3,185 8
Youth and Adult Correctional	3,281 8	13 7	465 1	3 4	3,764 0
Resources/Environmental Protection	764 2	1,146 8	401 4	380 3	2,692 7
State and Consumer Services	301 1	353 5	0 6	17 2	672 4
Other	<u>1,796 0</u>	<u>424 0</u>	<u>0 5</u>	<u>1,000 3</u>	<u>3,220 8</u>
TOTAL	\$43,817 0	\$12,464 1	\$3,922 9	\$25,153 8	\$85,357 8

Source The 1992-93 Governor's Budget.

DISPLAY 2 Summary of Estimated 1992-93 Postsecondary Education Budget by Funding Source (Dollars in Thousands)

	<u>General Fund</u>	<u>State Lottery</u>	<u>Other State</u>	<u>Federal</u>	<u>Property Tax</u>	<u>Student Fees</u>	<u>Other</u>	<u>Totals</u>
University of California ^{a,b,c,e}	\$2,136 6	\$14 5	\$27 3	\$3,426 2	--	\$669 2	\$3,570 3	\$9,829 5
The California State University ^{c,d,e}	1,663 4	26 0	11 9	193 4	--	408 4	411 3	\$2,828 0
California Community Colleges ^e	1,876 5	75 8	9 6	--	\$947 4	88 8	55 7	\$3,053 7
Hastings College of the Law	13 7	0 1	9 0	0 3	--	--	0 7	\$23 8
California Maritime Academy	7 0	0 0	--	0 4	--	--	2 9	\$10 3
California Student Aid Commission ^f	175 1	--	--	11 7	--	--	0 1	\$183 9
California Postsecondary Education Commission	3 0	--	--	5 8	--	--	--	\$8 8
Council for Private Postsecondary and Vocational Education	--	--	2 9	1 2	--	--	1 0	\$5 1
TOTAL	\$5,875 3	\$116 4	\$51 2	\$3,639 0	\$947 4	\$1,166 4	\$4,042 9	\$15,947 1

a Includes \$2.5 billion budgeted within UC for three Department of Energy laboratories

b Includes reimbursements, hospital fees, private contributions, sales and service, and auxiliary enterprises

c The \$1,166.4 million in fee revenues are shown in the Governor's Budget as a General Fund appropriation for UC, CSU, and CCC

d Includes federal financial aid.

e Excludes capital outlay.

f Includes local assistance and State operations for administration of the financial aid grants program only

Source California Postsecondary Education Commission staff analysis

DISPLAY 3 Comparison of 1991-92 Segmental Funds with Those Requested and Proposed for 1992-93 from the State's General Fund (Dollars in Millions)

	<u>1991-92 Current Year Budget Allocated</u>	<u>1992-93 General Fund Requested</u>	<u>Amount/Percent Increase in Requested Funds</u>	<u>1992-93 General Fund Proposed</u>	<u>Amount/Percent Increase in Proposed Funds</u>
University of California	\$2,105 6	\$2,379 1	(\$273 5) 12 9%	\$2,136 6	(\$31 1) 1 5%
The California State University	1,653 4	1,773 1	(\$119 7) 5 7%	1,663 4	(23 2) 1 4%
California Community Colleges ¹	1,734 8	1,876 5	(\$141 7) 8 1%	1,876 5	(170 9) 10 0%
California Student Aid Commission ²	160 4	188 8	(\$28 4) 17 7%	175 1	(14 7) 9 1%

Note The data in the several columns were derived from several sources and are not necessarily reconcilable among the columns

1 Excludes property tax revenues

2 Cal Grant program only

Source California Postsecondary Education Commission staff analysis

DISPLAY 4 Governor's Proposals for Bridging the Spending Gap (Dollars in Millions)

	<u>1991-92</u>	<u>1992-93</u>
Revenues/Transfers (transfers funds from special funds and bond funds)	\$296	\$576
Expenditure Reductions		
Health and Welfare	333	1,297
Eliminate Renters' Tax Credit	--	376
Enterprise Districts (K-12 Property Taxes)	--	347
Retirement Cost Savings	--	210
Reduce State Operations	--	155
Rank/File 5 Percent Salary Reduction	72	145
Freeze Trial Courts at 91-92 Level	--	143
Freeze Costs of 92-93 Benefit Increases	--	76
UC/CSU -- Fund Only Enrollment Growth	--	48
Refinance Revenue Bond Debt	45	15
Make Specified Local Mandates Optional	--	14
Diagnostic Schools (Assessments) to Proposition 98	--	9
Total Expenditure Reductions	\$450	\$2,835
Total Reduced Expenditures and Increased Revenues/Transfers	(\$746)	(\$3,411)
Reduced Reserve		(\$1,095)
Total Amount of Actions Needed to Balance Budget		\$5,252

Source Adapted from the 1991-92 Governor's Budget

by reducing State expenditures by \$746 million in the current year. Of that total, \$450 million would be achieved through cuts in health and welfare, imposition of a five-percent salary reduction for State

employees and the refinancing of the State's revenue bond debt. An additional \$296 million is proposed to be saved through revenue transfers between the State's General Fund and special funds

(At the time of this report, the Legislature has not taken action on any of the Governor's current-year proposals)

The proposed 1992-93 budget seeks to balance expenditures and revenues by reducing General Fund expenditures \$2.8 billion, transferring an additional \$576 million from other funds, and transferring an additional \$1.09 billion from the reserve. The largest program reductions are proposed for the Health and Welfare programs which include proposals to reduce Aid to Families with Dependent Children, eliminate certain Medi-Cal options, limit patient care and drug reimbursements and other actions to reduce General Fund expenditures by \$1.3 billion.

While the Governor's Budget proposes no General Fund tax increase, proposals to eliminate the State's Renters Tax Credit, proposed changes to the funding of Enterprise Districts, as well as increases in student fees at the University of California and the California State University will increase certain user fees for California residents. In addition, the Governor's proposals in most instances will require legislative action for their implementation.

Available revenue

The Governor's Budget is based on estimates of revenues that are based on assumptions about the State's economic performance. The revenue estimates for 1992-93 are based on a projected growth of 4.7 percent (\$2.1 billion over the current year) to \$45.7 billion in General Fund revenues. Display 5 at the right shows the sources of State revenue estimated for the 1992-93 budget.

These revenue estimates are about \$1 billion higher than the December projections of the independent Commission on State Finance. That Commission believes that the economy will remain weak through most of 1992 and begin to improve modestly in 1993. Economists are generally unsure about when California will come out of the present recession. Economic indicators continue to demonstrate that the economy is weak. One such indicator -- California's unemployment rate (8.7 percent) -- continues to demonstrate that the State's economic performance lags behind national levels (unemploy-

DISPLAY 5 1992-93 State Revenue Fund Sources (Dollars in Millions)

<u>Source</u>	<u>General Fund</u>	<u>Special Funds</u>
Personal Income Tax	\$19,522	\$3
Sales Tax	16,859	1,726
Bank and Corporation Taxes	5,420	34
Highway Users Taxes	--	2,489
Motor Vehicle License Fees	--	4,650
Insurance Tax	1,217	--
Tobacco	188	496
Liquor Tax	313	--
Estate Taxes	540	--
Horse Racing Fees	87	28
Other	<u>1,526</u>	<u>2,942</u>
TOTAL	\$45,673	\$12,370

Source: The 1992-93 Governor's Budget

ment nationally is 7.3 percent). If the economy continues to falter, the Governor's Budget revenue estimates will not be met and further program reductions will be required in the budget year to balance the State's budget.

Recent Department of Finance estimates have revised the 1991-92 General Fund revenue forecast downward from \$45.7 billion to \$42.8 billion (or \$2.9 billion below projections). The Legislative Analyst estimates that the current-year budget will end an approximately \$2.8 billion deficit, as a result of lower-than-expected revenues and increased program expenditures. After tapping the State's reserve funds, the current fiscal year is estimated to end in an approximate deficit of \$1.3 billion.

K-12 education

The Governor's Budget for 1992-93 assigns its highest priority to education. It proposes a total K-12 budget of \$28.9 billion, a \$2.1 billion or 7.9 percent increase over 1990-91. The budget fully funds Proposition 98 guarantees and includes \$1.8 billion in

new funding, a 7.9 percent increase over the current year Proposition 98 funding level of \$23.3 billion. Display 6 on page 6 provides a summary of the major program changes proposed in the Governor's Budget, which are also highlighted below:

- \$864 million for statutory growth in enrollment. Total K-12 enrollment for 1992-93 is projected to be 5.46 million ADA, an increase of over 187,000 students
- \$324.5 million to fund the statutory cost-of-living adjustments of 1.5 percent
- \$93 million to fund the Governor's new educational initiatives; \$50 million for preschool expansion, \$20 million for Healthy Start expansion; \$10 million for early Mental Health counseling, \$10 million for programs aimed at improving low-performance schools; and \$3 million for the Breakfast Startup program
- \$13.8 million for development of a new pupil assessment program.
- \$37.7 million for summer school expansion
- \$15 million for instructional materials

The Legislative Analyst identified the following as major K-12 issues for the 1992-93 budget:

- Finds that the budget assumes that three legislative proposals concerning the allocation of additional property tax revenues to schools could potentially reduce General Fund apportionments by \$324 million. Assuming that the additional revenue will be treated consistent with the provisions of Proposition 98, the analyst estimates that there will be up to \$46 million available for non-Proposition 98 purposes
- Recommends that the Legislature take action to clarify the method for calculating the 1992-93 revenue limit for COLA's for individual school districts. While the budget proposes a 1.5 percent increase for COLA revenue limits, the proposal is not clear in respect to its treatment of funds districts received from legislation affecting the PERS system (AB 702 -- Chapter 83, Statutes of 1991)
- Recommends deletion of \$10 million requested by the Governor for laser-disk technology for health-related instruction.

- Recommends delay in the expansion of preschool programs due to the delay in starting up these programs
- Recommends that the Legislature reduce funding for concurrent enrollment by \$55.9 million to fully implement Budget Bill provisions which establish a minimum standard for concurrently enrolled students. (The standard would require that students attend a minimum of six hours of high school classes, rather than four, before being able to generate adult education funding.)
- Recommends deletion of \$38 million from the Healthy Start Program. The Analyst's review of the program found that the maximum funding level provided by law is exceeded.
- Finally, recommends that the allocation for the Supplemental Grant Program should be reduced by \$185.4 million because the Analyst believes the grant program is contradictory to the Legislature's intent -- to provide additional funding support for certain needs through categorical programs

Intersegmental programs

For the first time, the Governor's Budget identifies intersegmental programs for funding consideration as a separate category in the budget development process. Intersegmental programs, which represent collaborative efforts by two or more of systems of education, are those programs designed to improve the preparation of secondary school students, particularly those from historically underrepresented backgrounds, for college and university study. The Governor's proposal seeks to expand and support new efforts in student outreach and preparation, transfer and articulation, and teacher preparation and curriculum through the Proposition 98 funds. The proposal seeks to fund

- \$24 million for grants to local school districts to participate in the subject matter projects.
- \$1 million for teacher preparation programs in higher education.
- \$3.7 million for Advancement via Individual Determination (AVID) to establish new programs in

Display 6 Governor's Budget Summary of Major Augmentations (Dollars in Thousands)

	<u>Base Funding</u>	<u>Targeted Funding</u>
General Education Programs		
Enrollment Increases	\$864,000	
Summer School Expansion		37,000
Attendance Accounting	-150,000	
Attendance Accounting Grants		20,000
Cost-of-Living Adjustments (1.5%)	324,000	
Proposition 98 Reserve		200,000
Programs Related to Classroom Instruction		
School Restructuring (SB 1274)		28,000
Pupil Assessment (SB 662)		13,800
Instructional Materials		15,000
Educational Technology*		13,887
Programs Related to Teaching and Administration		
Beginning Teacher Support		10,000
Bilingual Teacher Training		1,500
Middle School Math Renaissance		1,100
Administrator Training		2,000
Collaborative Negotiations		1,000
School Board Training		500
Intersegmental Programs		
Subject Matter Projects		24,000
Other Intersegmental Programs		3,240
Redesigning Teacher Education Programs		1,000
Other Categorical Programs		
Supplemental Grants*		185,400
Low-Performing Schools		10,000
Specialized Secondary Schools		3,000
Partnership Academies		2,257
School Facilities Programs		
Deferred Maintenance		23,000
Preventive and Health Services		
Preschool Expansion		50,000
Healthy Start		20,000
Health Education Curricula		10,000
Early Mental Health		10,000
Breakfast Startup		3,000
Subtotals	(\$1,038,000)	(\$688,684)
Total		\$1,726,684

* These programs are due to sunset during the budget year. The Governor's Budget proposes funding to continue them.

Source: Adapted from the Governor's Budget.

ten regions of the State with a maximum of 250 schools participating

- \$1.1 million for 25 additional Mathematics, Engineering and Science Achievement (MESA) Program sites to increase the number of underrepresented students who enter college and complete degrees in these academic fields
- \$644,000 for expansion of the California Academic Partnership Program (CAPP).
- \$500,000 for expansion of the Cal-SOAP Program which improves and increases the accessibility of postsecondary education for high school students through a consortium approach
- \$400,000 for College Readiness Program (CRP) to increase the English and Math competencies of underrepresented students at the secondary level

The Legislative Analyst did not identify any major issues or recommendations concerning these proposed augmentations

University of California

The 1992-93 General Fund budget for the University is essentially the same as the current year. The Governor's Budget proposes \$2.13 billion -- a 1.5 percent increase or \$31 million increase. However, student fee, lottery, and other general purpose fund revenue will generate an additional \$88.8 million totaling \$119.9 million in new funding or a 4.4 percent increase. Student enrollment for the University for the budget year is 152,910 full-time-equivalent (FTE) students.

The budget proposes to fund

- \$17.2 million for enrollment increases for 1,500 new FTE undergraduates, 1,100 graduates and 100 health sciences. This enrollment increase will fund an additional 160 faculty positions.
- Student fee increase from \$2,486 to \$3,036 for a full-time undergraduate raising the yearly fees by \$550 or 24 percent.
- \$7.0 million for medical and dental benefit increases for UC annuitants.

- \$3.5 million for maintenance and operations of newly completed capital outlay projects.

- \$34.0 million for merit salary adjustments for faculty for 1991-92 and 1992 and 1993 and \$11.9 million for UC staff for 1992-93

The Legislative Analyst finds that despite a budget gap of approximately \$124 million (\$184 million without the proposed 24 percent fee increase), the University will be able to serve all eligible undergraduate students and expand graduate enrollment in 1992-93 over its current-year level by 1,100.

The Analyst recommends that University faculty teach an additional course during 1992-93 increasing the average courses taught from five to six a year. In addition, the Analyst recommends that \$7.5 million proposed to fund additional enrollment growth be deleted from the budget as a result of the estimated savings generated from this proposal.

Other options recommended by the Analyst for consideration by the Legislature include

- Changing the current UC faculty salary methodology to the same calculation used by the State University. The Analyst recommends that Supplemental Budget Language be adopted to direct the California Postsecondary Education Commission to use a weighed approach in the calculation of the parity salary figure for the University.
- Redirection to the community colleges of eligible UC and CSU students for the first two years of undergraduate instruction. This proposal seeks to redirect, on a volunteer-basis, qualified students who will be guaranteed transfer to a specific UC or CSU campus. The Analyst believes that the annual savings to the State's General Fund would total \$25 million.

In addition, the Analyst recommends the adoption of Supplemental Budget Language which will express the intent of the Legislature that the same number of transfer students be accepted for enrollment to UC and CSU in 1992-93 as in the previous year.

Display 7 on page 8 summarizes the University's actual budgets for recent years and its proposed budget for 1992-93

DISPLAY 7 Budget Summary for the University of California, 1990-91 Through 1992-93 (Dollars in Millions)

<u>Program or Source</u>	<u>Actual 1990-91</u>	<u>Estimated 1991-92</u>	<u>Proposed 1992-93</u>	<u>Change from 1991-92</u> <u>Amount</u>	<u>Percent</u>
Expenditures					
Budgeted Programs					
Instruction	\$1,566 1	\$1,709 9	\$1,746 8	\$36 8	2 2%
Research	257 4	243 7	228 6	-15 1	-6 2
Public Service	98 7	90 9	90 9	--	--
Academic Support	391 9	430 1	443 2	13 1	3 0
Teaching Hospitals	1,458 7	1,583 5	1,685 8	102 2	6 5
Student Services	205 2	198 0	198 0	--	--
Institutional Support	331 1	321 4	321 4	--	--
Operation and Maintenance	275 7	307 8	311 4	3 5	1 2
Student Financial Aid	101 5	117 0	137 3	20 2	17 3
Auxiliary Enterprises	333 8	359 8	384 8	25 0	7 0
Special Regents' Program	49 5	83 5	89 1	5 6	6 8
Unallocated Adjustments	<u>19 0</u>	<u>-49 6</u>	<u>36 6</u>	<u>86 2</u>	<u>a</u>
Subtotals, Budgeted Programs	(\$5,088 5)	(\$5,396 0)	(\$5,673 7)	(\$277 7)	(5 1%)
Extramural Programs					
Sponsored Research and Other	\$1,443 0	\$1,551 8	\$1,665 8	\$114 0	7 3%
Department of Energy Labs	<u>2,258 1</u>	<u>2,371 0</u>	<u>2,490 0</u>	<u>119 0</u>	<u>5 0</u>
Subtotals, Extramural Programs	<u>(3,701 0)</u>	<u>(\$3,922 8)</u>	<u>(\$4,155 8)</u>	<u>(\$233 0)</u>	<u>(5 9)%</u>
Grand Totals	\$8,789 6	\$9,318 8	\$9,829 5	\$510 7	5 5%
Funding Source					
Budgeted Programs					
General Fund	\$2,135 7	\$2,105 6	\$2,136 6	\$31 0	1 5%
State Transportation Fund	1 0	1 0	1 0	--	--
California Water Fund	0 1	0 1	--	-0 1	-100 0
Cigarette and Tobacco Products Fund	31 9	26 9	11 9	-15 0	-55 9
Capital Outlay Bond Fund (1990)	3 0	--	--	--	--
Lottery Education Fund	18 6	14 5	14 5	--	--
Federal Funds	9 4	13 4	13 4	--	--
Higher Education Fee Income	471 7	580 3	669 2	88 9	15 3
University General Funds	2,417 1	2,654 4	2 827 2	172 9	6 5
Extramural Programs					
Federal Funds	\$3,064 0	\$3,233 4	\$3,412 8	\$179 4	5 5%
Other Funds	637 0	689 4	743 0	53 6	7 8
Personnel Years	58,901	57,299	57,674	375	0 7%

a Not a meaningful figure

Source Analysis of the 1992-93 Budget Bill, Legislative Analyst

The California State University

The proposed 1992-93 General Fund budget for the State University totals \$1.6 billion, representing a 1.4 percent or \$23.1 million increase over 1991-92. Student fee, lottery, and other non-General Fund revenues bring the total funding for the State University to \$2.09 billion, a 1.1 percent increase over the current year. (Display 8 below summarizes the State University's actual budgets for recent years and its proposed budget for 1992-93.)

The 1992-93 budget provides minor increases over the 1991-92 budget, including:

- \$17 million in new General Fund support to fund an additional 2,600 full-time-equivalent (FTE) students. Student enrollment for 1992-93 is bud-

geted for 272,650 FTE or 1 percent over current enrollment levels

- Student fee increase deferred to action by the Trustees, who took approved action on January 16 to increase student fees by \$372 or 40 percent fee increase for 1992-93. Final action to ratify the fee increase occurred at a special February Trustees meeting. Student fees will increase from \$936 to \$1,308. Legislation will be needed in order to implement a fee increase above 10 percent.
- No General Fund support for merit salary increase, but \$1.1 million is provided to maintain dental benefit levels for CSU annuitants.

The Legislative Analyst finds that the California State University is underfunded \$219 million. The

DISPLAY 8 *Budget Summary for the California State University, 1990-91 Through 1992-93*
(Dollars in Millions)

<u>Program or Source</u>	<u>Actual 1990-91</u>	<u>Estimated 1991-92</u>	<u>Proposed 1992-93</u>	<u>Change from 1991-92</u> <u>Amount</u>	<u>Percent</u>
Expenditures					
Instruction	\$1,250.5	\$1,364.1	\$1,371.1	\$7.1	0.5%
Public Service	1.1	1.3	1.5	0.2	15.7
Academic Support	206.3	235.6	236.4	0.9	0.4
Student Services	282.4	318.3	323.2	5.0	1.6
Institutional Support	536.9	562.8	571.0	8.2	1.5
Independent Operations	89.0	77.6	78.0	0.4	0.5
Auxiliary Organizations	427.2	459.8	494.9	35.2	7.6
Provisions for Allocation	--	-188.3	-184.9	2.5	-1.3
Totals, Budgeted Programs	\$2,793.4	\$2,831.0	\$2,890.4	\$59.3	2.1%
Funding Source					
General Fund	\$1,653.4	\$1,640.2	\$1,663.4	\$23.2	1.4%
Student Income	362.8	408.5	408.4	-0.1	--
Lottery Education Fund	48.9	26.6	26.0	-0.7	-2.4
Special Account for Capital Outlay and Bond Funds	11.6	15.4	5.0	-10.4	-67.6
Special Project Fund	110.3	110.4	120.0	9.6	8.7
Federal Fund	107.9	108.3	110.4	2.1	2.0
Reimbursements	71.3	61.9	62.3	0.4	0.7
Auxiliary Organization Funds	427.2	459.8	494.9	35.2	7.6
Personnel Years	36,869	36,562	36,562	0.0	0.0

Source: Analysis of the 1992-93 Budget Bill, Legislative Analyst

Analyst recommends that if there are not sufficient funds to enable the State University to support and admit all CSU eligible students that the Legislature explicitly state its intent concerning the Master Plan goal (of admitting all eligible students who are in the top one-third of their high school graduating class).

In addition, the Analyst recommends that the Legislature review whether (1) there are sufficient course offerings available to enrolled students, and (2) if adequate funding is provided to those students eligible for financial assistance through the State University grant program.

The Analyst also recommended that the Legislature adopt Supplemental Budget Language requesting that the CSU administration and faculty defer the planned implementation of the teaching workload reduction. Beginning July 1, 1992, the CSU faculty are to reduce the number of *direct* instruction units from 12 to 11 units per semester. A new workload category called "indirect instruction" would be added to include faculty activities such as course preparation, curriculum planning and research. The required "indirect instruction" workload would be one unit.

Finally, the Analyst recommend Supplemental Budget Language requesting the redirection to the community college of CSU eligible students and that the State University accept the same number of community college students in 1992-93 as in the current year.

California Community Colleges

The Governor's Budget provides \$1.99 billion or 10.2 percent increase in General Fund support for the community colleges. When combined with student fee, lottery and other local revenues, the community colleges' 1992-93 proposed budget is \$3.56 billion or a \$328 million or 10.1 percent increase over the current year. (Display 9 on the opposite page summarizes the community colleges' actual budgets for recent years and their proposed budget for 1992-93.)

The Governor's Budget proposes the following changes to the community colleges' budget for 1992-93:

- Continuation of the existing student fee level including the \$1 fee increase imposed during 1991-92 (\$6 per unit, or \$60 a semester). Legislation will be needed in order to maintain the surcharge.
- A 10 percent increase in Proposition 98 funding for the community colleges (including a \$10 million Proposition 98 reserve).
- A cost-of-living increase of 1.5 percent (\$37.5 million) for local districts through State General Fund apportionments (economic indicators estimate the inflation rate to be 3.4 percent).
- A 6.95 percent increase for workload growth for the colleges statewide (\$155 million), and categorical programs (matriculation, \$2.7 million; EOPS, including the Board Financial Aid Program and CARE, \$3.8 million; and DSPS, \$2.2 million). Budget control language prohibits these funds from being used for employee cost-of-living adjustments.
- New program improvement funding of \$41.3 million to fund program-based funding workload standards. In addition, \$8.7 million redirected from the community colleges' deferred maintenance program to program improvement activities.
- \$6.5 million to implement Phase II of the management information system.
- Program augmentations totaling \$8.8 million to expand existing programs and development of new priorities:

CARE	\$1.7 million
Economic Development	\$1.0 million
GAIN	\$4.4 million
Joint Faculty Projects	\$100,000
MESA/MEP	\$500,000
Migrant Ed Teacher Prep	\$300,000
Project Assist	\$400,000
Puente Project	\$400,000

The Legislative Analyst finds that the Governor's Budget should significantly improve student access to programs and services at the State's 107 community colleges. The Analyst recommends that the Legislature request the community colleges' Chancellor's Office to report on the implementation of Assembly Bill 1725 (Chapter 973/88) and reject the

DISPLAY 9 Total Support for the California Community Colleges from All Sources, 1990-91 Through 1992-93 (Dollars in Thousands)

Type of Support or Source	<u>Actual 1990-91</u>	<u>Estimated 1991-92</u>	<u>Proposed 1992-93</u>	<u>Change from 1991-92 Amount</u>	<u>Percent</u>
State Support					
State Operations	\$16,627	\$16,749	\$17,447	\$698	4.2%
Categorical Programs	218,060	212,995	216,273	3,278	1.5
Apportionments	1,564,813	1,533,222	1,695,519	162,297	10.6
Proposition 98 Reserve	--	--	10,000	10,000	-- ^a
Subtotals, State Support	(\$1,799,500)	(\$1,762,966)	(\$1,939,239)	(\$166,273)	(10.0%)
Local Support					
Property Taxes	791,021	844,352	947,385	103,033	12.2
Other State Support					
Lottery Revenues	97,055	75,838	75,838	0.0	0.0
Student Fees	72,263	87,898	88,763	865	1.0
State School Fund	<u>2,316</u>	<u>2,545</u>	<u>2,545</u>	<u>0.0</u>	<u>0.0</u>
Totals	\$2,762,155	\$2,773,599	\$3,053,770	\$270,171	10.1%
Funding Source					
General Fund	\$1,734,870	\$1,705,597	\$1,876,538	\$170,941	10.0%
Local Funds	791,021	844,352	947,385	103,033	12.2
Lottery Funds	97,055	75,838	75,838	0.0	0.0
Bond Funds	28,159	726	5,788	5,062	697.2
Reimbursements	35,394	54,919	55,691	772	1.4
Student Fees	72,263	87,898	88,763	865	1.0
Other Funds	3,393	4,269	3,767	-502	-11.8

a. Not a meaningful figure

Source: Analysis of the 1992-93 Budget Bill, Legislative Analyst

Governor's proposal to redirect \$8.7 million from deferred maintenance to program improvement

The Analyst believes that the Legislature should request and receive information on how \$140 million in program improvement funds appropriated during the 1990-91 and 1991-92 fiscal years were allocated by the colleges so as to better evaluate whether the proposed program improvement funds could be better spent on funding the remaining community college unfunded enrollment or other legislative priorities. The rejection of the proposed redirection of \$8.7 million is recommended based on the significant backlog of deferred maintenance

projects and the reliance of local matching funds to receive State aid

Other recommendations for consideration are.

- Identification of how the Chancellor's Office intends to resolve problems in implementing Phase I of its management information system
- Enactment of legislation providing that community college students with more than 90 units not be counted as enrollment for apportionment purposes, thereby allowing redirection of \$100 million in Proposition 93 funding for other priorities.

- Reduction of \$1 million proposed for workplace learning resource centers. The Analyst believes this proposal is incomplete in that it does not identify how these centers would coordinate with existing State agencies and other entities providing such services or how the cost of funding enrollment for such students would be provided
- Correction of \$766,000 in the calculation of General Fund apportionments.

California Maritime Academy

The proposed budget for the California Maritime Academy is \$10.3 million; \$7.1 million from the General Fund. The Governor's Budget provides the Academy's Board of Governors with the authority to increase the Academy's student fees from \$1,224 to \$1,714 a \$490 or 40 percent increase in 1992-93. The fee revenue generated from the fee increase is proposed to be allocated to the Academy and not used to offset the Academy's General Fund support.

The Analyst noted that the Academy's budget does not contain a spending plan for additional revenues resulting from the student fee increase and recommends that information on how the revenues would be allocated be provided during the budget hearing process.

Display 10 below summarizes the Academy's State funds for recent years and for 1992-93.

DISPLAY 10 State Funds for the Support of Current Operations at the California Maritime Academy, Budgeted for 1991-92 and Proposed for 1992-93, with Percentage Increases (Dollars in Thousands)

<u>Funding Source</u>	<u>Budgeted 1991-92</u>	<u>Proposed 1992-93</u>	<u>Percent Increase</u>
General Fund	\$7,063	\$7,028	-0.4%
Lottery Funds	<u>42</u>	<u>42</u>	0%
TOTAL	\$7,105	\$7,070	

Source: The 1992-93 Governor's Budget.

Hastings College of the Law

The total proposed budget for Hastings College of the Law is \$23.7 million, of which \$13.7 million is General Fund support -- an increase of \$51,000 or 0.37 percent over 1991-92. The Legislative Analyst finds that the Governor's Budget proposes a \$550 (or 21 percent) student fee increase. That fee increase would conflict with the existing student fee policy which limits fee increases to 10 percent annually.

Display 11 below summarizes the College's State funds for recent years and for 1992-93.

DISPLAY 11 State Funds for the Support of Current Operations at the Hastings College of the Law, Budgeted for 1991-92 and Proposed for 1992-93, with Percentage Increases (Dollars in Thousands)

<u>Funding Source</u>	<u>Budgeted 1991-92</u>	<u>Proposed 1992-93</u>	<u>Percent Increase</u>
General Fund	\$13,621	\$13,672	0.4%
Lottery Funds	<u>124</u>	<u>124</u>	0%
TOTAL	\$13,745	\$13,796	

Source: The 1992-93 Governor's Budget.

California Student Aid Commission

The 1992-93 budget for the Student Aid Commission proposes to fund 79,273 financially needy students attend the State's public and private colleges and universities through its various grant programs. Although the Governor's Budget proposes fee increases for the University and the State University, it does not provide \$19.2 million in additional funding to cover those fee increases for students receiving a Cal Grant. In addition, no new General Fund monies are proposed to increase the number of Cal Grants awarded or to increase the maximum Cal Grant amount for students attending the State's independent institutions.

The Governor's Budget proposes the following increases:

- \$500,000 General Fund (Proposition 98) augmentation for the California Student Opportunity and Access Program (Cal-SOAP).
- \$371,000 funding increase to cover the increased cost of delaying implementation of the grant portion, and approximately \$1.9 million for the loan program for the Financial Aid Processing (FAPS) system
- \$1.5 million and 45.9 positions for workload increases in the student loan program

The Analyst finds that the Governor's Budget does not cover the proposed fee increases for the University and the State University. To fully offset the fee increases, the Analyst estimates that an additional

\$11 million for the University and \$8.2 million for the State University would need to be appropriated.

Display 12 below summarizes actual budgets for recent years and the proposed budget for 1992-93 of the Commission

Council for Private Postsecondary and Vocational Education

The Council is the State agency responsible for the oversight and approval of private schools and vocational educational institutions. The 1992-93 budget for the Council is proposed for \$5.1 million. It pro-

DISPLAY 12 *California Student Aid Commission Local Assistance Programs, 1991-92 Through 1992-93 (Dollars in Thousands)*

Type of Support or Source	Actual 1990-91	Estimated 1991-92	Proposed 1992-93	Change from 1991-92 Amount	Percent
Grant Programs					
Cal Grant A (Scholarship)	\$102,550	\$110,147	\$107,882	-\$2,265	-2.2%
Cal Grant B (College Opportunity)	56,079	59,752	63,824	-3,072	-5.4%
Cal Grant C (Occupational)	3,008	2,887	2,898	-11	-0.3%
Graduate Fellowship	2,454	2,855	2,855	--	--
Bilingual Teacher Grant Program	2	--	--	--	--
Law Enforcement Personnel Dependents	5	14	14	--	--
Byrd Scholarship Program	866	944	944	--	--
Paul Douglas Teacher Scholarships	<u>1,953</u>	<u>2,009</u>	<u>2,009</u>	<u>--</u>	<u>--</u>
Subtotals, Grant Programs	(166,015)	(178,608)	(180,426)	(-5,348)	
Other Programs					
Assumption Program of Loans for Education (APLE)	1,301	2,001	1,801	-200	-9.9%
Work Study Program	810	781	781	--	--
Cal-SOAP	577	577	977	400	69.0%
Subtotals, Other Programs	(2,688)	(3,359)	(3,559)	200	5.9%
Reimbursements	<u>-866</u>	<u>-944</u>	<u>-944</u>	<u>--</u>	<u>--</u>
Net Totals	\$168,740	\$181,083	\$183,101	--	
Funding Sources					
General Fund	\$157,032	\$169,927	\$171,277	+\$350	0.2%
Federal Trust Fund	11,708	11,096	11,764	-668	6.0%
Guaranteed Loan Reserve Fund	--	60	60	--	--

Source: 1992-93 Governor's Budget.

vides no new funds to the Council in the budget year

The Council's raised fee schedule, which was to be adopted January 1, 1992, has been delayed to June 1992 to provide the Council with sufficient time to review information on its first-year revenue history. The Analyst made no specific recommendations concerning the Council's budget.

California Postsecondary Education Commission

The Governor's Budget proposes essentially the same level of support for the Commission in 1992-93 -- approximately \$3 million for the administration and operation of the Commission and its staff. The federal Eisenhower Math and Science Act, which provides grants to postsecondary institutions to strengthen the quality of instruction in elementary and secondary schools, is funded at \$5.8 million.

The Governor's Budget also includes a request that all State agency secretaries review all boards and commissions and identify which should be retained, consolidated or abolished. This review is to occur in the budget year. The Governor's budget summary identifies \$25 million in "targeted" savings to be achieved through such a review. The Postsecondary Education Commission and the California Student Aid Commission are included in the listing of boards and commissions to be included in such a review.

The Legislative Analyst in the *Analysis of the 1992-93 Budget* indicates that the Commission's budget is essentially a "workload" budget. The Analyst acknowledges the 16 percent current-year reduction in General Fund support and that the Governor's Budget proposes carrying the current-year reduction into 1992-93. The Analyst made no recommendations concerning the Commission's budget.

Higher education capital outlay

The Governor's Budget proposes a total of \$548.1 million in higher education capital outlay projects.

The budget proposes over \$369 million in General Obligation bond funding; an additional \$179 million from revenue bond sources. General Obligation bonds proposed in the Governor's budget are contingent on the passage of the Higher Education Bond Act slated for the June 1992 ballot. The projects proposed for construction, renovation and expansion in 1992-93 for the three systems are proposed for existing campuses. No new funds are proposed for the construction of new campuses.

The capital outlay budget proposes:

- \$232.6 million for the University of California to fund 40 instructional projects, nine fire and life safety projects, and seven ancillary utility projects
- \$214.1 million for the State University to support construction of 63 instructionally related buildings, 10 fire/safety projects, and 20 ancillary utility projects
- \$101.4 million to fund 127 proposed community college projects

The Legislative Analyst identifies two major issues in this year's capital outlay program: (1) The implementation of the capital outlay program for higher education is contingent upon the passage of a general obligation bond measure in June of approximately \$900 million, and (2) recommend that the Legislature request that the Department of Finance report on how the administration intends to future costs related to projects proposed in the budget. (Display 13 on page 15 shows the bond measures anticipated to be considered by the Legislature and if approved by the voters this year.)

In addition, the analyst recommends that the Legislature adopt a policy of using general obligation bonds instead of lease payment bonds, so as to minimize future General Fund costs. The analysis of the higher education capital outlay program also includes an analysis and extensive review of the proposed projects contained in the 1992-93 Governor's Budget.

Display 14 on page 16 summarizes actual capital outlay budgets for recent years and the proposed capital outlay budget for 1992-93 for California's public institutions of higher education.

DISPLAY 13 General Obligation Bonds Proposed for the 1992 Ballot (Dollars in Millions)

<u>Bill</u>	<u>Author</u>	<u>Authorization</u>	<u>General Program Area</u>
Water Resources			
AB 24	Filante	\$ 600	Water recycling, pollution control, and conservation, wastewater and toxics cleanup
AB 1387	O'Connell	200	Safe drinking water and drought relief
AB 1800	Peace	150	Wastewater and toxics cleanup
AB 2004	Cortese	200	Water quality and conservation
AB 2024	Costa	50	Water pollution control
AB 2112	Polano	1,000	Water desalination, safe drinking water, and drought relief
SB 39	Ayala	1,200	Auburn Dam water quality protection
SB 778	Killea	300	Water reclamation and desalination
SB 1087	Thompson	300	Water desalination
Other Resources			
AB 72	Cortese	678	Heritage lands
AB 1641	Sher	455	Fish and wildlife
SB 387	McCorquodale	305	Heritage lands
SB 710	Mello	263	Coastal and riparian resources
SB 888	Keene	300	Old-growth and native forest protection
K-12 and Higher Education			
AB 257	Hayden	1,000	Higher education facilities
AB 880	Eastin	2,143	K-12 school facilities (November)
AB 2062	Brulte	800	K-12 school facilities
SB 34	L. Greene	800	K-12 school facilities
SB 119	Hart	900	Higher education facilities
Corrections			
AB 369	Murray	465	State adult and juvenile facilities
SB 269	Presley	300	County juvenile facilities
Other Issues			
AB 1965	Areias	475	Earthquake safety State and local government buildings
AB 2194	Bates	Unspecified	Child care facilities
SB 593	Robert	450	Affordable housing
SB 932	Killea	1,500	Local public infrastructure
SB 1106	Watson	50	Child care facilities
SB 1216	Rosenthal	100	Clean fuels (November)
SB 1230	Keene	300	Local libraries
AB 973	Costa	<u>1,000</u>	Rail transportation (November)
Total, all proposals		\$ 16,284	
Total, without double-counting		\$ 11,261	

Source California State Treasurer and Legislative Analyst's Office

DISPLAY 14 Funds for Capital Outlay at California Public Postsecondary Institutions, Actual for 1990-91, Budgeted for 1991-92, and Proposed for 1992-93 (Dollars in Thousands)

Segment and Fund	Actual 1990-91	Estimated 1991-92	Proposed 1992-93
University of California			
Higher Education Capital Outlay Bond Fund of 1992	--	--	\$139,942
High Technology Education Revenue Bond Fund	\$54,150	\$27,810	--
Higher Education Capital Outlay Bond Fund of 1988	22,730	9,500	--
Public Building Construction Fund	58,474	143,961	92,623
Higher Education Capital Outlay Bond Fund of 1990	82,980	60,046	--
Health Science Facilities Construction Fund	--	2,237	--
TOTAL STATE FUNDS	(208,334)	(243,554)	(232,565)
Other Nonstate Funds	<u>460,469</u>	<u>50,624</u>	<u>29,935</u>
TOTAL FUNDS	\$678,803	\$294,178	\$262,500
The California State University			
Higher Education Capital Outlay Bond Fund of 1992	--	--	\$124,774
High Technology Education Revenue Bond Fund	\$29,345	\$6,408	--
Higher Education Capital Outlay Bond Fund of 1988	59,014	21,171	--
Public Building Construction Fund	102,647	170,694	89,331
Higher Education Capital Outlay Bond Fund of 1990	47,389	94,625	--
TOTAL STATE FUNDS	(250,142)	(302,079)	(214,105)
Other Nonstate Funds	<u>62,648</u>	<u>8,394</u>	<u>32,609</u>
TOTAL FUNDS	\$312,790	\$310,473	\$246,714
California Community Colleges			
Higher Education Capital Outlay Bond Fund of 1992	--	--	\$101,630
Higher Education Capital Outlay Bond Fund of 1988	\$36,519	\$27,268	--
Public Building Construction Fund	21,458	248,274	--
Higher Education Capital Outlay Bond Fund of 1990	<u>12,756</u>	<u>89,010</u>	--
TOTAL STATE FUNDS	\$73,075	\$367,916	\$101,630
California Maritime Academy			
Higher Education Capital Outlay Bond Fund of 1992	--	--	\$125,000
Higher Education Capital Outlay Bond Fund of 1990	<u>\$60,000</u>	<u>--</u>	<u>--</u>
TOTAL STATE FUNDS	\$60,000	--	\$125,000

Note No capital outlay projects are proposed for the Hastings College of Law

Source The 1992-93 Governor's Budget.

Budget development process

This year, the Legislature has departed from its traditional hearing process by accelerating the time schedule for holding subcommittee hearings on the budget. Legislative leadership has stated that it is the goal of the Legislature to conclude its subcommittee hearing process by late March and begin a joint-house conference committee by April. The Democratic leadership has indicated that it intends to seek an early submission of the budget bill to the Governor.

Commission staff are and will continue to actively participate in the budget debate. Much of the Commission's work is focused on providing policy advice about potential funding options available to the Legislature and the Governor. Commission Agenda Item 3, "Analysis of Options and Alternatives for California Higher Education," provides a more detailed description of the Commission's activities in this area.

Conclusion

The Commission supports the goals and objectives of the State's Master Plan for Higher Education -- access and opportunity to a high quality education for all qualified Californians regardless of race, gender, or economic circumstances. The severity of the State's financial crisis has put those goals at risk. While the Governor's Budget places a priority on education, the amount of available revenue to adequately support larger student enrollments and increased operating costs is insufficient. In light of these circumstances, the Commission, in consultation with the higher education systems, students, faculty, the Legislative Analyst, the Department of Finance, legislative staff, and other interested parties, is preparing an analyses of potential alternatives and options for funding higher education. While these alternatives are not preferable to ade-

quate State General Fund support, the Commission believes it is essential that attention be paid to their viability and their potential impact on California's higher education system.

Appendices

The following two pages present four displays of specific data relevant to the Governor's Budget. Display 15 on page 18 summarizes the average daily attendance/full-time-equivalent enrollment in California's public K-12 and postsecondary education systems during 1991-92 and projected for 1992-93. Display 16 shows the decline in State Lottery funds to education this year. Displays 17 and 18 on page 19 illustrate total costs for resident undergraduates of attending the University of California and the California State University in comparison with similar public universities elsewhere in the country.

References

- Commission on State Finance *1991 Annual Long-Tech General Fund Forecast*, Fall 1991
- Legislative Analyst's Office "Bonds and the 1992 Ballots," (Policy Brief), January 1992
- . *Monthly Revenue Report*, February 1992
- . *Report from the Legislative Analyst, Office to the Joint Legislative Budget Committee*, February 26, 1992
- Office of the Governor *Governor's Budget, 1992-93 State of California, January 9, 1992, Analysis of 1992-93 Budget Bill.*

DISPLAY 15 *Average Daily Attendance/Full-Time-Equivalent Enrollment in California's Educational Systems, 1991-92 and 1992-93*

	Average Daily Attendance/Full-Time-Equivalent Enrollment		
	<u>1991-92</u>	<u>1992-93</u>	1991-92 vs 1992-93
K-12^{1,2}	5,279,506 ²	5,466,900	187,394
California Community Colleges	860,710 ³	921,686	60,976
The California State University	270,050 ⁴	272,650	2,600
Undergraduate	(231,864)	(234,366)	(2,502)
Graduate (including postbaccalaureate)	(38,186)	(38,284)	(98)
University of California	150,210	150,910	2,700
Undergraduate	(113,430)	(114,930)	(1,500)
Graduate	(25,170)	(26,270)	(1,100)
Health Sciences	(11,610)	(11,710)	(100)
California Maritime Academy	400	430	30
Hastings College of the Law	<u>1,278</u>	<u>1,270</u>	<u>(8)</u>
TOTAL STUDENTS	6,562,154	6,815,846	253,692

1 Source. Unduplicated average daily attendance, for elementary and secondary students only, Department of Finance

2 K-12 enrollment adjusted for anticipated reduction in ADA due to accounting changes adopted in Budget Act language

3 Budgeted.

4 Estimated enrollment

5 Budgeted Estimated actual 1991-92 enrollment is 155,000 FTE

Source The 1992-93 Governor's Budget

DISPLAY 16 *California State Lottery Revenues, 1990-91 and 1991-92 (Dollars in Millions)*

<u>Institution</u>	<u>Actuals</u> <u>1990-91</u>	<u>Estimated</u> <u>1991-92¹</u>	<u>Change from 1990-91</u>	
			<u>Amount</u>	<u>Percent</u>
K-12 Education	\$620.39	\$484.77	\$135.62	21.8%
California Community Colleges	97.06	75.84	21.22	21.8
The California State University	33.22	25.96	7.26	21.8
University of California	18.58	14.52	4.06	21.8
California Maritime Academy	05	04	01	20.0
Hastings College of the Law	16	12	04	25.0
Other Education Agencies	1.47	1.15	32	21.8
Undistributed Revenue²	<u>32.18</u>	<u>—</u>	<u>32.18</u>	<u>—</u>
Total K-12/Higher Education	\$803.11	\$602.40	200.71	22.3%

1 Based on Lottery Commission estimates. The Lottery Commission does not make projections beyond current year

2 Lottery winnings that remain unclaimed.

Source 1992-93 Governor's Budget.

***DISPLAY 17 Total Cost of Attendance for
Resident Undergraduates at the University of
California, and Public Universities Used for
Faculty Salary Comparisons, 1991-92***

University of California	\$10,615
University of Michigan, Ann Arbor	10,500
University of Illinois, Urbana-Champaign	9,530
State University of New York at Buffalo	8,973
University of Virginia	<u>8,600</u>
Average of the four other universities	\$9,401

***DISPLAY 18 Total Cost of Attendance for
Resident Undergraduates California State
University and Twelve Public Universities Used
for Faculty Salary Comparisons, 1991-92***

Rutgers College, Rutgers The State University of New Jersey	10,113
Wayne State University	9,138
Arizona State University	8,800
University of Maryland, Baltimore County	8,557
Virginia Polytechnic Institute and State University	8,522
University of Nevada, Reno	8,022
Cleveland State University	7,977
The California State University	7,923
University of Wisconsin, Milwaukee	7,812
State University of New York, Albany	7,701
Mankato State University	6,532
North Carolina State University	6,204
University of Texas, Arlington	<u>5,710</u>
Average of the 12 other universities	\$8,090

CALIFORNIA POSTSECONDARY EDUCATION COMMISSION

THE California Postsecondary Education Commission is a citizen board established in 1974 by the Legislature and Governor to coordinate the efforts of California's colleges and universities and to provide independent, non-partisan policy analysis and recommendations to the Governor and Legislature

Members of the Commission

The Commission consists of 17 members. Nine represent the general public, with three each appointed for six-year terms by the Governor, the Senate Rules Committee, and the Speaker of the Assembly. Six others represent the major segments of postsecondary education in California. Two student members are appointed by the Governor.

As of February 1995, the Commissioners representing the general public are

Henry Der, San Francisco, *Chair*
C. Thomas Dean, Long Beach
Elaine Alquist, Santa Clara
Mim Andelson, Los Angeles
Jeffrey I. Marston, San Diego
Guillermo Rodriguez, Jr., San Francisco,
Vice Chair

Melinda G. Wilson, Torrance
Linda J. Wong, Los Angeles
Ellen F. Wright, Saratoga

Representatives of the segments are

Roy T. Brophy, Fair Oaks, appointed by the Regents of the University of California,
Yvonne W. Larsen, San Diego, appointed by the California State Board of Education,
Alice Petrossian, Glendale, appointed by the Board of Governors of the California Community Colleges,
Ted J. Saenger, San Francisco, appointed by the Trustees of the California State University, and
Kyhl Smeby, Pasadena, appointed by the Governor to represent California's independent colleges and universities, and
vacant, representing the Council for Private Postsecondary and Vocational Education

The two student representatives are
Stephen Leshner, Meadow Vista
Beverly A. Sandeen, Costa Mesa

Functions of the Commission

The Commission is charged by the Legislature and Governor to "assure the effective utilization of public postsecondary education resources, thereby eliminating waste and unnecessary duplication, and to promote diversity, innovation, and responsiveness to student and societal needs."

To this end, the Commission conducts independent reviews of matters affecting the 2,600 institutions of postsecondary education in California, including community colleges, four-year colleges, universities, and professional and occupational schools.

As an advisory body to the Legislature and Governor, the Commission does not govern or administer any institutions, nor does it approve, authorize, or accredit any of them. Instead, it performs its specific duties of planning, evaluation, and coordination by cooperating with other State agencies and non-governmental groups that perform those other governing, administrative, and assessment functions.

Operation of the Commission

The Commission holds regular meetings throughout the year at which it debates and takes action on staff studies and takes positions on proposed legislation affecting education beyond the high school in California. By law, its meetings are open to the public. Requests to speak at a meeting may be made by writing the Commission in advance or by submitting a request before the start of the meeting.

The Commission's day-to-day work is carried out by its staff in Sacramento, under the guidance of its executive director, Warren Halsey Fox, Ph.D., who is appointed by the Commission.

Further information about the Commission and its publications may be obtained from the Commission offices at 1303 J Street, Suite 500, Sacramento, California 95814-2938, telephone (916) 445-7933 or Calnet 485-7933, FAX (916) 327-4417.

ANALYSIS OF THE 1992-93 GOVERNOR'S BUDGET

California Postsecondary Education Commission Report 92-12

ONE of a series of reports published by the Commission as part of its planning and coordinating responsibilities. Additional copies may be obtained without charge from the Publications Office, California Postsecondary Education Commission, Third Floor, 1020 Twelfth Street, Sacramento, California 95814-3985

Recent reports of the Commission include

91-15 Approval of Las Positas College in Livermore: A Report to the Governor and Legislature on the Development of Las Positas College -- Formerly the Livermore Education Center of Chabot College (September 1991)

91-16 Update on Long-Range Planning Activities Report of the Executive Director, September 16, 1991 (September 1991)

91-17 The Role, Structure, and Operation of the Commission: A Preliminary Response to Senate Bill 2374 (October 1991)

91-18 1991-92 Plan of Work for the California Postsecondary Education Commission: Major Studies and Other Commission Activities (October 1991)

91-19 Reauthorization of the Higher Education Act of 1965 as Amended: A Report to California's Congressional Delegation Summarizing Consensus in California's Higher Education Community Regarding Proposed Revisions of the Act (December 1991)

91-20 Student Fees, Access, and Quality: Prospects and Issues for the 1992-93 Budget Process (December 1991)

91-21 Legislative and State Budget Priorities of the Commission, 1992: A Report of the California Postsecondary Education Commission (December 1991)

91-22 Proposed Construction of the Western Nevada County Center, Sierra Joint Community College District. A Report to the Governor and Legislature in Response to a Request for Capital Funds for a Permanent Off-Campus Center in the Grass Valley/Nevada City Area (December 1991)

92-1 Final Report on the Effectiveness of Intersegmental Student Preparation Programs: The Third Report to the Legislature in Response to Item 6420-0011-001 of the 1988-89 Budget Act (January 1992)

92-2 Assessing Campus Climate: Feasibility of Developing an Educational Equity Assessment System (January 1992)

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